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#### **ADDENDUM NO. 1**

Date: September 5, 2007

BID No. 07-0438

#### STREET SWEEPING SERVICES

This addendum is being issued to make the following changes, corrections, clarifications and additions to the bidding document. The information in this addendum modifies and changes the original bidding documents and takes precedence over the original documents. **Respondents may acknowledge receipt of this addendum by completing this form and returning it with the response.** No ward will be made prior to receiving an original singed copy of addendum 1.

### Change/add the following:

#### Add:

Section 2.6.3: Price Redetermination - Diesel

If the retail price of diesel fuel increases by ten percent (10%) or more from the price on the beginning date of the contract, the contractor may petition the Procurement Services Director (Director) in writing for an increase in the contract price(s). Any increase in the contract price(s) will be the pro-rata cost of fuel to the contractor's total cost of the product or service.

Any price re-determination will be solely based upon any percentage change between the base index and the current month index as documented by the Producer Price Index (PPI) for #2 Diesel Fuel: Series WPU057303 as published by the U.S. Department of Labor, Bureau of Labor Statistics. [http://www.bls.gov/ppi/] The base index will be the index number for month prior to the BID/RFP closing date or the month prior to the beginning of the contract term. The current month index will be the last month's index published before the request for a price redetermination is made.

The contractor shall provide a complete written cost analysis for each contract price to be adjusted. This analysis shall include all costs including administrative, overhead, material(s),

labor [labor units per price and actual documented labor cost per hour], fuel, insurance, profit, and any other cost associated with providing each product or service. Failure to provide the detailed cost analysis with each request for a price redetermination due to fuel price escalation shall preclude any such price redetermination.

# Example:

Base index number = 83.5Current index number = 96.4Fuel = 12% of contract unit price Price Increase =  $[(96.4 - 83.5)/83.5] \times 12\%$ =  $[12.9/83.5] \times 12\%$   $1545 \times .12 = 0.01854$ = 1.854% increase in contract unit price

If the Director grants any increase in the contract price based upon increases in diesel prices, then the Director may also automatically adjust the contract price downward if the retail cost of diesel decreases by ten percent (10%) or more from the date of the last increase in the contract price.

This clause may be used in addition to any other price redetermination clause in this invitation/contract.

## Add:

Page 16, Section 2.20, first sentence.

The vendor shall provide 24 hours, seven (7) days a week emergency service...

# **Change:**

Page 19, Section 3, top page

There are three (3) two (2) types of sweeping as part of this bid.

Firm Name:	Date:
Signature:	Title:
Typed/Printed Name:	

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